

JON, WASH.
KANT, VT.
NTSEN, TEX.

United States Senate

SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 94TH CONGRESS)

WASHINGTON, D.C. 20510

Executive Order

81-3816/10

7890

TODD, EX OFFICIO
W. VA., EX OFFICIOP. BLAKE, STAFF DIRECTOR
SHULSKY, MINORITY STAFF DIRECTORIN REPLY PLEASE
REFER TO N#7669

July 8, 1981

Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Casey:

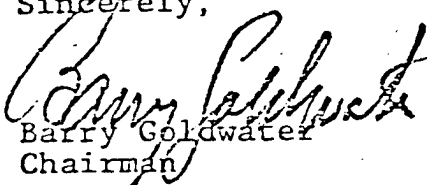
This is in response to your letter of June 10, 1981, advising us of your decision to implement pay increases for CIA personnel while serving overseas.

Although the Committee is fully supportive of your objective of providing suitable incentives for service abroad, we question the precedent being set by this action, as well as the methodology employed in accomplishing your intended objective. We are particularly concerned that the across-the-board salary increase proposed to achieve comparability with the recent Foreign Service pay re-alignment may further exacerbate the overseas pay comparability issue.

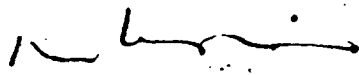
We believe a comprehensive comparability study is necessary to fully document the perceived disparities between CIA grade structures overseas and other U.S. government agencies performing similar functions abroad. It is our understanding that CIA has such a study underway, which should be completed within the next few months. Until this study is completed, and the Committee has had an opportunity to review the results, we are of the view that the pay increase for CIA personnel overseas should be considered a temporary, interim measure to address the overall pay comparability problem.

In the future, it is strongly suggested that the Committee be consulted well in advance of any intended actions such as this. This will enable us to resolve any misunderstandings early in the process and facilitate a favorable Congressional response.

Sincerely,



Barry Goldwater
Chairman



Daniel Patrick Moynihan
Vice Chairman

7/2/81

Outline for Presentation at Personnel Officers Meeting 7/8/81.

OVERSEAS PAY SCHEDULE

A. Background

Disincentives for Overseas Service

-- Cultural disorientation

STAT

-- High cost of living

-- Inconvenience - differences in housing, shopping and language.

-- Spouse career goals

-- Family reluctance to relocate (educational deficiencies, kids in high school or special schools.)

-- Security of employee/family

-- Poor medical facilities

-- Decline in American and U.S. Government prestige abroad.

B. Foreign Service Act of 1980

Provided several new benefits for overseas service.

-- Effective October 1980 - avg. 9.6 percent pay increase (less than 1 percent for some lower grades and more than 13 percent for some senior officers.

-- Separate maintenance allowance for employees who opt to have families remain in U.S.

-- Incentive pay and danger pay up to 25 percent of salary for employees assigned to especially difficult or dangerous posts.

- Liberal dependent travel to/from U.S. Liberalized R&R policy.
- Other allowance benefits

C. Agency Proposal

1. Even before the passage of the FSA, it was clear to Agency management that something had to be done to ensure that highly trained employees were attracted to and would remain in our overseas positions. Some of the most important considerations of our overseas service are:

- The unique purpose and function of the Agency which defies comparison with other U.S. elements overseas.
- Problems associated with high mobility and rotational timetables.
- The Agency personnel management environment has characteristics, objectives, and problems unlike other governmental agencies.
- It can be very difficult serving overseas because of the increasing tendency towards attempts to expose and in some cases, cause harm to Agency personnel. causes unique stresses.

STAT

2. Agency Considerations Included:

- Separate pay scale for overseas service.
- Allowance or bonus PSI for overseas service.
- Deferred compensation.
- Brevit or temporary promotion (like NSA).

3. The Office of Personnel felt that initiation of a separate overseas pay scale would be the most visible and effective means of distinguishing between our overseas and headquarters assignments. This concept was strongly

supported by senior managers throughout the Agency and, as a result, a proposal was developed by the Office of Policy, Analysis and Evaluation for a separate overseas pay scale providing a 9.6 percent salary increase for all employees serving overseas.

- ° Reviewed and supported by PMAB and Executive Committee.
- ° Approved by the DCI in December 1980 and a cable was sent to all stations and bases.
- ° By March 1981, it was clear that tight fiscal restraints would delay the proposal.
- ° In March, field stations were alerted by Admiral Inman of a delay and the program was reset for implementation 12 July.
- ° A substantial supplemental appropriation was approved, and 19 June a message from the DDCI was sent to all stations and bases confirming 12 July as the effective date for the new Overseas Pay Schedule.
- ° In the next several days, both an Office of Personnel Memorandum and Headquarters Notice on this subject will be published.

The last few weeks have been frantic as we have received different feedback on our overseas pay plan from the House and Senate Committees. Some of you may also have been frantic as you scurried to determine who is eligible for this new benefit. We have defined eligibility as follows:

"Full-time permanent staff and contract employees who are U.S. citizens, whose appointments are greater than one year and who work a regularly scheduled tour of duty overseas. Local hire employees, whether contract or reinstated Staff, are not included."